



WASHOE COUNTY

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CM/ACM	<u>KS</u>
Finance	<u>DN</u>
DA	<u>✓</u>
Risk Mgt.	<u>N/A</u>
Clerk	<u>CS</u>
Comptroller	<u>CH</u>

STAFF REPORT BOARD MEETING DATE: June 21, 2016

DATE: June 13, 2016

TO: Board of County Commissioners

FROM: Bob Webb, Planning Manager, Planning and Development Division
Community Services Department, 328-3623, bwebb@washoecounty.us

THROUGH: Kevin Schiller, Assistant County Manager
Manager's Office, 328-2016, kschiller@washoecounty.us

SUBJECT: Possible action to adopt the Business Impact Statement for the Regional License and Permit Platform with a finding, based on staff's recommendation, that the proposed NRS 354.790 Regional Technology Fee does not impose a direct and significant economic burden on a business; nor does the proposed fee directly restrict the formation, operation or expansion of a business; and, set the public hearing for possible adoption of the proposed Regional Technology Fee for June 28, 2016. The fee would apply to customers using the new online Regional License and Permit Platform being created for the purpose of expediting and enhancing access to the county's licensing and permitting processes, including business licenses and building permits. The proposed fee in any case would be a minimum of \$1 and otherwise would apply (1) to all business licenses at the time of license application and for each license renewal as follows: \$2.75 for annual licenses, \$2 for quarterly licenses; and (2) to all other permits including permit renewals (includes building, engineering, planning, and utility permits) as follows: 4% of the total permit cost to include permit renewal. (All Commission Districts.)

SUMMARY

Adoption of the Business Impact Statement for the Regional License and Permit Platform with a finding that the proposed Regional Technology Fee does not have a significant business impact. Set the public hearing for possible adoption of the proposed Regional Technology Fee for June 28, 2016.

Washoe County Strategic Objective supported by this item: Proactive Economic Development and Diversification.

PREVIOUS BOARD ACTION

The Board of County Commissioners (Board) heard a report from staff on March 25, 2014 concerning progress towards awarding the Regional License and Permits Platform contract to Accela, Inc. That report included a description of meetings held with the

Builder's Association of Northern Nevada, the Association of General Contractors, the Chamber, and all jurisdictions' business license customers on the proposed regional technology fee.

The Board approved an Interlocal Cooperative Agreement on June 17, 2014 establishing the Regional Business License and Permit Program among Washoe County, the City of Reno, the City of Sparks, and the Washoe County Health District. The Board further approved a contract with Accela, Inc. totaling \$1,580,074.66 for the Program (total project budget of \$1,667,444.32), and directed staff to return prior to project implementation with a regional technology fee to recover portions of the project's costs with the fee to only be implemented after go-live of the platform.

The Board approved a \$148,000 change order from the Regional License and Permit Platform Vendor, Accela, Inc., to extend the contract until the project's go-live date of August 22, 2016. The change order action included approving Washoe County's \$67,636 share of the total change order; authorizing the Comptroller's Office to bill the Cities of Reno and Sparks for their share of the total change order; authorizing the use of \$33,300 from the contract's approved contingency funds for platform payments in January and February of 2016; and, directing project management staff to execute the change order only after the City Councils of Reno and Sparks approved their respective shares of the total change order (both Councils approved their change order shares subsequent to the Board's action).

BACKGROUND

REGIONAL LICENSE AND PERMIT PLATFORM

The City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County have been cooperatively seeking a new regional license and permit platform (program) since April of 2012. The regional team released a Request for Proposal (RFP) in late 2013. After going through a formal requirements and presentation process, the regional team selected Accela, Inc. as the preferred vendor for the platform in April of 2014. The Board approved the contract with Accela, Inc. on June 17, 2014.

The new regional license and permit platform will replace the current Permits Plus permit program for the City of Sparks, Washoe County, and the Health District; and, the current Permits Plus business license program for Washoe County. The new platform will also replace the current business license programs for the City of Reno and the City of Sparks. The advantages of the new regional license and permit platform to the business and development community are numerous. The most significant improvement is that the new system will allow for centralized shopping for anyone applying for licenses or permits, so that the applicant can apply and pay on-line for licenses and/or permits and not have to physically submit applications at any jurisdiction. Customers will still be able to submit license and/or permit applications in person at a jurisdiction; however, the on-line capacity should provide substantial time and cost savings for our customers. Customers will also have the ability to track the status of their applications on-line, and to submit electronic documents associated with their application.

The City of Reno, the City of Sparks, Washoe County and the Health District entered into an Interlocal Cooperative Agreement in June of 2014 to govern the new regional license and permit platform. The Agreement's scope covers such matters as program creation, fiscal management, term, functions, administration, responsibilities, annual operations and budgeting process, initial and on-going contributions, personnel participation, payments and financing, a process to add new jurisdictions, rights and obligations, and terminations. Washoe County is the program's fiscal manager, and provides project leadership and administrative support. The Agreement created an Oversight Committee consisting of the Reno City Manager, the Sparks City Manager, the County Manager, and the District Health Officer.

A Scope of Work was developed with Accela, Inc. to outline responsibilities of the vendor and each of the four jurisdictions. The Scope of Work also establishes work plans, documentation requirements, staff assignments, and other components critical to project completion. Project staffs from all four jurisdictions are responsible to perform the majority of the work and tasks to actually create the new program with Accela providing "best practice templates," program training, and subject matter expertise.

The Oversight Committee is briefed quarterly on the project timelines and status by the project staff. The Committee has met on September 2, 2014; December 2, 2014; March 3, 2015; June 2, 2015; September 1, 2015; December 1, 2015; January 21, 2016 (special meeting to discuss the proposed change order for Accela); March 1, 2016; and, June 7, 2016. During these meetings, the Committee has provided direction and guidance to staff on a variety of project issues, to include validation of the project's vision, direction on how customers will pay for permits through the on-line application ("shopping cart" concept), approval of the customer page for the on-line application, review of the change order approved by the Board on March 8, 2016, and continued review of the project's implementation time lines in the context of go-live critical events. The Committee has charged project staff to ensure that the platform's "go-live" date of August 22, 2016 balances elements critical for functionality with any other components which can be included after the system is operational.

REGIONAL TECHNOLOGY FEE

The primary goal of the proposed regional technology fee is to recover each jurisdiction's capital outlay costs for the platform over a five-year fee collection period. The capital outlay costs include one-time project implementation costs and a 5.5% project contingency component. The secondary goal of the proposed regional technology fee is to recover the required annual subscription costs. The subscription costs commenced on the date the contract was signed with Accela (June 17, 2014). The third goal of the proposed regional technology fee is to provide funds for future technology needs associated with the platform (e.g., future upgrades and technology improvements).

The five-year overall cost recovery period reflects a time frame used to calculate a reasonable fee schedule (i.e., recover the capital outlay costs spread over five years). The actual time frame to recover the capital outlay costs will depend upon the annual revenue raised by the regional technology fee. Project staff anticipates that the City of Reno may

recover its capital outlay costs sooner than the five-year time frame. Conversely, Washoe County may recover its capital outlay costs, and associated annual subscription fees, in six years and four months. Project staff recommends that Washoe County (and each participating jurisdiction) periodically evaluate the regional technology fee, extending the fee's period as required or reducing the fee as needed once capital outlay costs are recovered. Staff further recommends a reduced regional technology fee in the future be retained to meet goals two and three (recover annual subscription costs and provide future technology needs funds).

The Interlocal Cooperative Agreement includes a provision related to the regional technology fee (entities refer to the City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County):

Section 12.2 A "regional technology fee" may be imposed by the initial ENTITIES upon their customers utilizing the PLATFORM for a minimum of one year, commencing upon go live of the PLATFORM. The "regional technology fee" shall be consistent among the ENTITIES and shall include the following: business permits – 4%; annual business license - \$4; quarterly business license - \$2.

Legal staff from all four jurisdictions agrees that the proposed regional technology fee qualifies as a fee which can be imposed under the provisions of NRS 354.790 (yellow highlight text added for emphasis):

NRS 354.790 Additional fee for providing service to customer in expeditious or convenient manner.

1. Except as otherwise provided by specific statute, a local government may charge, in addition to the fee otherwise imposed for a service provided by the local government, a reasonable fee for providing the service in an expedited manner or in a manner that is expeditious or convenient to the customer.
2. The fee authorized pursuant to subsection 1 must not exceed 5 percent of the fee otherwise imposed.
3. As used in this section, "local government" has the meaning ascribed to it in NRS 354.474.

The fee(s) "otherwise imposed for a service by the local government" (i.e., Washoe County) are the permit or license fees currently in place as approved by the Board either by ordinance or resolution. The proposed regional technology fee for Washoe County would be in addition to those fees and is broken down as follows:

1. For all business licenses at time of license application and for each license renewal:
 - a. \$2.75 for annual licenses; and,
 - b. \$2 for quarterly licenses (collected each calendar quarter).
2. 4% of the total permit cost for all other permits, to include permit renewal.
 - a. Includes building, engineering, planning, and utility permits.
 - b. Certain agency fees will not be totaled as part of the total permit cost.
 - c. Minimum regional technology fee is \$1, and the fee will be rounded to the nearest dollar.

During the writing of this staff report, staff discovered that the \$4 regional technology fee as outlined in the Interlocal Cooperative Agreement adopted by the Board in June of 2014 for annual business licenses exceeds the 5% fee cap imposed by NRS 354.790 for three of the County's existing business license fee categories:

- The current annual business license fee for the first year of operation (includes the license application fee) is \$75. 5% of \$75 is \$3.75, and a \$4 regional technology fee exceeds the 5% State Law cap for this fee.
- The current annual business license renewal fee for a business with reported annual gross receipts between \$25,001 and \$50,000 is \$65. 5% of \$65 is \$3.25, and a \$4 regional technology fee exceeds the 5% State Law cap for this fee.
- The current annual business license renewal fee for a business with reported annual gross receipts of less than \$25,000 is \$55. 5% of \$55 is \$2.75, and a \$4 regional technology fee exceeds the 5% State Law cap for this fee.

State Law does not allow the County, nor any other jurisdiction, to exceed the 5% cap for any fee imposed pursuant to NRS 354.790. Consequently, the regional technology fee for at least these three annual business license fees must be reduced. Staff recommends reducing the regional technology fee for annual business license fees from \$4 to \$2.75. This reduced regional technology fee will meet the 5% cap imposed by State Law. Also, staff recommends this flat fee for all annual business license fees to maintain the intent of the Interlocal Cooperative Agreement to provide a flat regional technology fee for all business license transactions.

Staff checked all other business license fees to ensure that the State mandated 5% cap was not exceeded.

- All other annual business license fees are more than \$75. The next annual business license renewal fee category is \$115. 5% of \$115 is \$5.75. The proposed regional technology fee of \$2.75 for annual business licenses is less than this amount.
- The smallest business license fee category for a quarterly license is \$50 for a package beer liquor license. 5% of \$50 is \$2.50. The proposed regional technology fee of \$2 for quarterly business licenses is less than this amount.
- All other permits will be charged a 4% regional technology fee. This amount is less than the 5% cap.

Of significant concern is the effect of this change on the recommendations and conclusions involved in this staff report. It is of particular importance that this discrepancy---between the fee amount chargeable under NRS 354.790's 5% cap and the originally contemplated \$4 across-the-board fee---has resulted in a downward adjustment of the fee planned to be imposed. For this reason, it is staff's opinion that the changes being made to the fee level do not result in a different conclusion being reached in connection with the analyses in this report that were done in regard to the original \$4 fee. In other words, it is still staff's position, as set forth more fully below in the recommendation and possible motion sections of this report, that the proposed fee still neither imposes a direct and significant economic burden on a business, nor directly restricts the formation, operation or expansion of a business. In fact, if anything, this

reduction lessens whatever impacts this fee may otherwise have had on businesses in the community.

Specific types of licenses and permits, and fees associated with those permits, will be either exempted or not included in the permit total cost when calculating the regional technology fee. The Washoe County Community Services Department (CSD) will determine the exempted licenses/permits and exempted permit fees (currently, only CSD licenses and permits are included in the platform at go-live). Some examples include:

- Gaming license fees, as these fees are established and controlled through NRS.
- Electric energy service license fees and telecommunication services license fees as these fees are authorized and established within NRS.
- Permit fees collected on behalf of a non-participating government agency. For example, fees collected on building permits for the Regional Transportation Commission or for the Tahoe Regional Planning Agency will be subtracted from the permit total prior to applying the regional technology fee calculation.

Based on input from trade associations and businesses (the customers of the regional license and permit platform), staff recommends that the proposed regional technology fee take effect when the platform “goes live” for use by citizens on August 22, 2016. The trade associations were very specific in requesting that the fee be charged when citizens have the ability to apply for licenses and permits on-line (a capability currently lacking with the County’s current license and permit program).

NRS 237.080 requires that before the Board adopts any rule, that the Board “make a concerted” effort to determine whether the proposed rule will impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business. The proposed regional technology fee qualifies as a rule under NRS 237.060 as the fee will be “paid in whole or in substantial part by businesses”. NRS 237.080 requires the County to notify trade associations or owners and officers of businesses about the proposed rule and that they may submit data or arguments about whether the proposed rule will impose a direct and significant economic burden upon a business or directly restrict the formation, operation or expansion of a business.

Given the regional nature of the license and permit program, staffs from the City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County collaborated to meet the requirements of NRS 237.080. Project staff prepared a legal ad (see Attachment A) and a notice (see Attachment B) for two public workshops held on June 30, 2015. Project staff mailed and e-mailed a total of 11,839 notices for the public workshops on June 1, 2015. Project staff also arranged for presentations on the proposed regional technology fee before The Chamber (June 9, 2015), the Association of General Contractors (June 18, 2015), and the Builders Association of Northern Nevada (June 23, 2015).

After gathering comments from the trade association meetings, the two public workshops, and from letters and e-mails in response to the notices, project staff prepared the Business Impact Statement (BIS) required by NRS 237.080(4). The BIS is included as Attachment C to this staff report.

Adoption of the BIS was initially scheduled to be heard by the Board in September of 2015. That date was delayed until January of 2016, and then delayed again until June 21, 2016 to bring the time frame for adoption of the regional technology fee closer to the project's go-live date of August 22, 2016. NRS 237.080 and related sections contain no time requirements between the time frame that comments are solicited and received on a BIS, and subsequent action to approve the BIS and/or adopt a fee. Less than a year has passed since the solicitation and receipt of comments for this BIS, so it reasonable to presume that an additional new solicitation/comment period would not provide any more information that has already been received. The trade associations originally notified in early June of 2015 were sent a letter by postal mail on May 16, 2016 and again on June 13, 2016 notifying them of the June 21, 2016 Board hearing to approve this BIS.

The BIS contains all of the information required by NRS 237.090, to include the information sheet provided at the meetings and workshops, and posted on-line. The BIS also includes a synopsis of comments received at the trade associations and the public workshops, and the letter mailed to the trade associations in May of 2016 concerning this meeting to review and adopt the BIS. Staff concludes that the proposed regional technology fee will not impose a significant economic burden on a business; and, will not restrict the formation, operation or expansion of a business (see section H in the BIS).

The City of Reno approved the regional technology fee as part of its FY 2015-2016 budget. Therefore, in accordance with State Law, the City does not need to adopt the BIS. The District Board of Health adopted the BIS on October 22, 2015 and subsequently adopted the regional technology fee on November 19, 2015.

The Sparks City Council will take action on the BIS and the regional technology fee in 2016. Attachment D is the latest information staff has on the different jurisdictional approaches to collecting the proposed regional technology fee.

FISCAL IMPACT

As noted earlier in the staff report, the proposed regional technology fee is calculated to recover the capital outlay implementation costs for the regional license and permit platform. The proposed fee will also recover the required annual subscription costs paid to Accela, Inc. for the platform. The total capital outlay implementation costs for the platform was \$1,385,479. Washoe County's share of those costs is \$614,187¹. Washoe County's annual subscription fee cost is \$71,412 (through at least the third year of the subscription). Section F of the attached BIS provides capital outlay costs and annual subscription fees for the other three jurisdictions.

Washoe County's costs for annual subscription fees for the first five years of the project/platform (time frame used to calculate the proposed fee) total \$357,060. The total capital outlay costs and five years of subscription fees for Washoe County is \$971,247.

¹ Washoe County assumed the capital outlay implementation costs for itself and for the Washoe County Health District. Those separate costs were \$338,724 for Washoe County and \$275,463 for the Health District. The Health District will be responsible to pay its share of the annual subscription costs.

Washoe County is expected to raise \$153,805 annually from the proposed regional technology fee. This projected revenue is based on permits and licenses issued in calendar year 2014. The actual revenue raised may be more or less depending on the number and dollar amount of permit fees and licenses subject to the regional technology fee.

All revenue raised from the proposed regional technology fee will be deposited in regional permits system fund accounts dedicated solely to recovering the County's capital outlay costs and annual subscription fees for the regional license and permit platform. The GL Code (revenue account) for the regional permits system is 460723. Cost centers vary between collecting department/division, and include C230010 and C230060 through C230130. The County can anticipate recovering the costs and fees with the projected annual revenue in six years and four months.

The revenue anticipated for each of the other three jurisdictions is shown in Section E of the attached BIS. It should be noted, however, that the City of Sparks may collect less revenue given its approach to the regional technology fee as shown in Attachment D.

RECOMMENDATION

It is recommended that the Board adopt the Business Impact Statement for the Regional License and Permit Platform with a finding that the proposed Regional Technology Fee does not impose a direct and significant economic burden on a business; nor does the proposed fee directly restrict the formation, operation or expansion of a business. It is further recommended that the Board set the public hearing for possible adoption of the proposed Regional Technology Fee for June 28, 2016.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be:

“Move to adopt the Business Impact Statement for the Regional License and Permit Platform with a finding that the proposed Regional Technology Fee does not impose a direct and significant economic burden on a business; nor does the proposed fee directly restrict the formation, operation or expansion of a business. Further move to set the public hearing for possible adoption of the proposed Regional Technology Fee for June 28, 2016.”

- Attachment:
- A. Legal Ad published for Public Workshops
 - B. Comment Request and Public Workshop Notice
 - C. Regional License/Permit Platform Business Impact Statement
 - D. Jurisdictional approaches to collecting the proposed regional technology fee

Attachment A

Legal Ad
Publish 2 times
June 17 and 19, 2015
1 Proof

**City of Reno, City of Sparks, Washoe County
and the Washoe County Health District**

NOTICE OF INTENT TO IMPOSE A NEW FEE

**NOTICE OF PUBLIC WORKSHOPS
and**

**Request for data or arguments concerning
a proposed regional technology fee**

In compliance with NRS 237.080, local governments are to notify trade associations or owners and officers of businesses that are likely to be affected by the adoption of a proposed new fee for a license or permit. Trade associations or owners and officers of businesses may submit data or arguments to the local government's governing body, or its designee, if adoption of the proposed new fee will either: (a) impose a direct and significant economic burden upon a business, or (b) directly restrict the formation, operation or expansion of a business.

The City of Reno, the City of Sparks, Washoe County, and the Washoe County Health District (the Regional Partners) are proposing a new regional technology fee to help recover capital outlay implementation costs and annual subscription fees of a new regional license and permit program. The proposed new fee will be \$4 for annual business licenses and \$2 for quarterly business licenses at the time of license application or each license renewal, and 4% of the total permit cost for all other permits, to include permit renewals.

The Regional Partners will host two public workshops to discuss the potential impacts of the proposed regional technology fee on a business. The public is invited to attend these workshops to ask questions, and to provide comments, arguments or data on the potential impacts of the proposed regional technology fee. The workshops will be held:

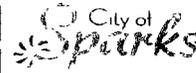
Date: June 30, 2105 (Tuesday)
Time of workshops: Noon until 1:00 p.m., and 5:30 p.m. until 6:30 p.m.
Location: Mt. Rose Conference Room, Washoe County Administrative Complex, Building A, Second Floor (west end), 1001 East Ninth Street, Reno

Any data or arguments must be received no later than fifteen working days after the date of first publication of this notice or by **Tuesday, June 30, 2015** and directed to Bob Webb, Planning Manager, at (775) 328-6133 (fax) or businesslicense@washoecounty.us.

If you have any questions or desire to view a document outlining the potential impacts to a business from the proposed new fee, you may visit www.washoecounty.us/techfee or request a copy via email at businesslicense@washoecounty.us.

Attachment B

Comment Request & Public Workshop NOTICE



WASHOE COUNTY
HEALTH DISTRICT

GREETINGS BUSINESS OWNER, LICENSE/PERMIT CUSTOMER, OR TRADE ASSOCIATION MEMBER:

The Reno City Council, Sparks City Council, District Health Board, and Board of County Commissioners will consider a regional technology fee to help recover the capital outlay costs of the new regional license and permit program. One major advantage of the new program is the ability to provide on-line license and permit services for our customers for the first time. The proposed regional technology fee will be \$4 for annual business licenses, \$2 for quarterly business licenses, and 4% of the total permit cost for all other permits (air quality, building, engineering, environmental health, planning and utility).

As a business owner, license/permit customer, and/or trade association member, the proposed regional technology fee may affect your business or business operations. You are encouraged to provide any comments, arguments or data on whether the proposed regional technology fee will impose a direct and significant economic burden upon a business or directly restrict the formation, operation, or expansion of a business.

For more information on the proposed regional technology fee, please visit www.washoecounty.us/techfee.

The Regional Partners will host two public workshops to discuss the potential impacts of the proposed regional technology fee on a business. You are invited to attend these workshops to ask questions, and to provide comments, arguments or data on the potential impacts of the proposed regional technology fee.

Date: June 30, 2015 (Tuesday) **Time of workshops:** Noon until 1:00 p.m., and 5:30 p.m. until 6:30 p.m.

Location: Mt. Rose Conference Room, Washoe County Administrative Complex, Building A, Second Floor (west end), 1001 East Ninth Street, Reno

Written comments, arguments or data must be submitted no later than June 30, 2015, to:

Postal mail: Washoe County Department of Community Services, Planning & Development Division, Attn: Business License, P.O. Box 11130, Reno, NV 89520-0027

E-mail: BusinessLicense@washoecounty.us

Fax: (775) 328-6133

Comment Request & Public Workshop NOTICE



WASHOE COUNTY
HEALTH DISTRICT

The Reno City Council, Sparks City Council, District Health Board, and Board of County Commissioners will consider a regional technology fee to help recover the capital outlay costs of the new regional license and permit program. One major advantage of the new program is the ability to provide on-line license and permit services for our customers for the first time. The proposed regional technology fee will be \$4 for annual business licenses, \$2 for quarterly business licenses, and 4% of the total permit cost for all other permits (air quality, building, engineering, environmental health, planning and utility).

As a business owner, license/permit customer, and/or trade association member, the proposed regional technology fee may affect your business or business operations. You are encouraged to provide any comments, arguments or data on whether the proposed regional technology fee will impose a direct and significant economic burden upon a business or directly restrict the formation, operation, or expansion of a business.

For more information on the proposed regional technology fee, please visit www.washoecounty.us/techfee.

The Regional Partners will host two public workshops to discuss the potential impacts of the proposed regional technology fee on a business. You are invited to attend these workshops to ask questions, and to provide comments, arguments or data on the potential impacts of the proposed regional technology fee.

Date: June 30, 2015 (Tuesday) **Time of workshops:** Noon until 1:00 p.m., and 5:30 p.m. until 6:30 p.m.

Location: Mt. Rose Conference Room, Washoe County Administrative Complex, Building A, Second Floor (west end), 1001 East Ninth Street, Reno

Written comments, arguments or data must be submitted no later than June 30, 2015, to:

Postal mail: Washoe County Department of Community Services, Planning & Development Division, Attn: Business License, P.O. Box 11130, Reno, NV 89520-0027

E-mail: BusinessLicense@washoecounty.us

Fax: (775) 328-6133



June 2016

Regional License/Permit Platform Business Impact Statement

INTRODUCTION

The following Business Impact Statement (BIS) was prepared pursuant to Nevada Revised Statutes (NRS) section 237.080 to address the potential impact of a proposed regional technology fee. This proposed fee classifies as a rule as defined in NRS 237.060 and, therefore, is subject to the provisions of NRS 237.030 to 237.150, inclusive.

The City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County partnered to purchase a regional license and permit platform known as the Accela Civic Platform. These four Regional Partners will consider a regional technology fee to help recover the capital outlay implementation costs and the annual subscription fees of the new regional license and permit platform.

The City of Reno included the regional technology fee as part of their FY 2015-2016 budget process and adoption of that budget. Pursuant to NRS 237.060(b), the annual budget process and adoption does not qualify as a rule and, therefore, no Business Impact Statement was required by the City of Reno for the regional technology fee. Consequently, the City of Reno did not notify any businesses or trade associations of the proposed regional technology fee. The Reno City Council will review this Business Impact Statement during an update on the status of the regional license/permit platform to acquaint Council members with its content.

This Business Impact Statement was prepared in partnership with the City of Reno, the City of Sparks, and the Washoe County Health District in August and September of 2015, and was updated in June of 2016. The Business Impact Statement was initially scheduled for review by the Washoe County Board of Commissioners (Board) in October of 2015 and again in January of 2016, but was rescheduled to June 21, 2016 in order for the Board to consider adopting a regional technology fee at a date closer to the planned implementation date for the regional license and permit program of August 22, 2016.

The Washoe County District Board of Health adopted this Business Impact Statement on October 22, 2015 and subsequently adopted the regional technology fee on November 19, 2015.

BUSINESS IMPACT STATEMENT

- A. *The following constitutes a description of the manner in which comment was solicited from affected businesses, a summary of their response, and an explanation of the manner in which other interested persons may obtain a copy of the summary (List all trade associations or owners and officers of businesses likely to be affected by the proposed rule that have been consulted).*

Current business licensees from the City of Sparks and Washoe County, and the various trade associations listed below, were notified by U.S. postal mail of the proposed regional technology fee on June 1, 2015. Current permit holders from the Washoe County Health District must possess a valid jurisdictional business license, so those permit holders were included in the mailing to business licensees. The City of Sparks mailed 1,875 notices and e-mailed 4,232 notices, and Washoe County mailed 5,732 notices. Together, the two jurisdictions notified 11,839 businesses and trade associations of the proposed regional technology fee.

Trade associations mailed a notice:

- American Business Women's Association
- Builders Association of Northern Nevada (*agency meeting held*)
- Economic Development Authority of Western Nevada
- Incline Village General Improvement District
- National Federation of Independent Business
- Nevada Business Connections
- Nevada Chapter AGC (*agency meeting held*)
- Nevada Microenterprise Initiative
- Nevada Motor Transport Association
- Nevada Small Business Development Center
- Nevada Taxpayers Association
- North Lake Tahoe Chamber of Commerce
- Northern Nevada NAIOP
- NPM & CSA
- Reno-Sparks Chamber of Commerce, The Chamber (*agency meeting held*)
- Retail Association of Nevada

The post card notice mailed on June 1, 2015 included a web site link to a *Potential Impact to a Business* (see Attachment A) for the regional technology fee, and included contact information for each Regional Partner for questions and comments. The notice requested that written comments, arguments or data on the proposed regional technology fee be submitted no later than June 30, 2015. The notice also advertised two public workshops, held on June 30, 2015 at noon and again at 5:30 p.m. The public workshops were also advertised in the *Reno Gazette-Journal* as a legal advertisement on June 17 and 19, 2015. The public workshops were hosted by the regional technology

fee working group for the public to discuss the potential impacts of the proposed regional technology fee on a business. Attendees were encouraged to ask questions, and were solicited to submit comments, arguments or data on any potential impacts.

Comments received during meetings with certain agencies (marked on the list above as *agency meeting held*) and during the public workshops are included as Attachment B. In response to the notice, the regional technology fee working group received three letters and 15 e-mails from citizens. Of those responses, one letter addressed consolidation (a topic not a part of the proposed regional technology fee) and four e-mails asked clarifying questions or addressed topics such as filing complaints and royalty fees (both topics not part of the proposed regional technology fee). The remaining two letters and 11 e-mails were opposed to any fee increases. This response rate for responses pertinent to the proposed regional technology fee equates to .00109 of the 11,839 notices provided. All letters and e-mails are available upon request for review. Contact information for each Regional Partner is included at the end of this Business Impact Statement.

Comments, responses, arguments and data received during the comment period and during the two public workshops in 2015 were incorporated into this Business Impact Statement (BIS). Consideration of this BIS and possible action to adopt the regional technology fee by the Board was postponed from September 2015, to January 2016, and again to June 2016. NRS 237.080 and related sections contain no time requirements between the time frame that comments are solicited and received on a BIS, and subsequent action to approve the BIS and/or adopt a fee. Less than a year has passed since the solicitation and receipt of comments for this BIS, so it reasonable to presume that an additional new solicitation/comment period would not provide any more information that has already been received. The trade associations listed on the previous page were notified by postal mail on May 13, 2016 and on June 13, 2016 of the June 21, 2016 Board hearing to approve this BIS (see Attachment C).

Interested persons may obtain a copy of this BIS at the following location:

Washoe County

Administrative Complex, Building A,
CSD Information Desk (Second floor)
1001 East Ninth Street, Reno

A copy of this BIS is also posted on-line at www.washoecounty.us/techfee.

- B. *The following constitutes a description of the estimated economic effect of the proposed rule on the businesses which the rule is to regulate, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects.*

Specific to Washoe County, the proposed regional technology fee is \$2.75 for an annual business license (to include renewals), \$2 per quarter for a quarterly license (to include renewals), and 4% of the total permit cost for all other permits (to include permit renewal). Permits include building, engineering, planning, and utility permits. Certain agency fees will not be totaled as part of the total permit cost.

Gaming, electric energy service, and telecommunication service business licenses will be exempted from the regional technology fee. Washoe County agencies will be required to maintain a list of licenses and permits, to include any fees associated with a license or permit, which will be exempt from the regional technology fee.

The proposed regional technology fee will commence once the new regional license and permit platform is available for the public to use (i.e., the platform's "go live" date) on August 22, 2016.

Adverse effects: Business owners and permit customers will pay the regional technology fee in addition to the current or future license or permit fee. The fee will be \$2.75 annually for annual business license customers and \$8 annually for quarterly license customers. Permit customers will pay 4% of the total permit cost for an initial permit and for renewals, if appropriate. The minimum regional technology fee for a permit will be \$1 and the fee will be rounded to the nearest dollar. The regional technology fee is non-refundable in the event that a license or permit, or portion thereof, is refunded, cancelled, or voided.

Beneficial effects: For the first time, the Regional Partner's customers will benefit from on-line license and permit services with the new Accela Civic Platform. The new platform will provide on-line citizen access for applying for a license or permit; tracking the status of a license or permit application; paying for a license or permit; and, renewing licenses or permits.

The new license and permit platform replaces several outdated platforms for all four Regional Partners with one single regional platform. The new platform includes a robust and improved permit and license software application, regional data sharing, and customer focused applications. Customers will still be able to apply in person for a license or permit at a City, District or County office. The new regional license and permit platform will enable all

Regional Partners to share common customer information to facilitate the processing of a license or permit application, and to minimize repetitive entering of the same information by our customers.

Direct effects: Any new or renewed business license or permit will be required to pay the regional technology fee. Revenue realized from the regional technology fee will allow funds expended by each of the Regional Partners for the platform's capital outlay implementation costs to be applied to other identified jurisdictional requirements.

Indirect effects: There are no indirect effects from the proposed regional technology fee.

- C. *The following constitutes a description of the methods that the City of Reno, the City of Sparks, the Washoe County Health District and Washoe County considered to reduce the impact of the proposed rule on businesses and a statement regarding whether any of these methods were used (Include whether the following was considered: simplifying the proposed rule; establishing different standards of compliance for a business; and, if applicable, modifying a fee or fine set forth in the rule so that a business could pay a lower fee or fine).*

The regional technology fee is calculated to recover the capital outlay implementation costs over a five year period, future technology needs, and the annual subscription fees of the new regional license and permit platform. The fee calculations were based on the number of issued and renewed business licenses, and the revenue from all other permits, based on a seven year average. The Regional Partners settled upon flat fees for business license to reflect that the business processes for any license transaction in the new regional license and permits platform will be roughly the same regardless of the type of license. However, the business processes for all other permits varies widely and involves varying levels of participation in the review of permits by one or more agencies. These permits also potentially involve field inspections by agency staff, corrections of submitted permits by an applicant, and resubmittals of those permits for further review. Therefore, the Regional Partners settled upon a percentage fee for all other permits, reflecting that more complex and time intensive permits require more business processes in the platform.

The Regional Partners have agreed in concept to consider collecting the regional technology fee for at least one year, though one or more of the Partners could collect the fee for a longer time frame up to the full five years. One or more of the Partners could also elect to not collect the regional technology fee for some or all of its licenses and permits. Revenue collected from the regional technology fee will be set aside to recover the capital outlay implementation costs and the annual subscription fees for the first five years for each Regional Partner. It is possible that a Regional Partner may

recover its capital outlay implementation costs prior to the end of the five year period. One or more of the Regional Partners may decide at a future date to reduce or remove the regional technology fee once its capital outlay implementation costs are recovered.

Additionally, one or more of the Regional Partners may decide to continue to collect a regional technology fee, potentially at a reduced rate, after the capital outlay implementation costs are recovered to help offset on-going annual subscription fees and future technology costs associated with the platform. Each Regional Partner is responsible for a pro-rated share of the annual subscription fees paid to the platform's vendor to maintain the platform's database in "the cloud". Future technology costs would provide funds for upgrades and technology improvements associated with the platform.

- D. *The City of Reno, the City of Sparks, the Washoe County Health District and Washoe County estimates that the annual cost for enforcement of the proposed rule is:*

There is no cost for enforcement of the regional technology fee by the City of Reno, the City of Sparks, the Washoe County Health District or Washoe County. The regional technology fee will be added as appropriate to the license or permit cost, and will be paid by the customer prior to issuance of the license or permit. Failure to pay all or part of the license or permit fee, to include the regional technology fee, will cause the Regional Partner to not issue or renew the license or permit.

- E. *The proposed rule provides for a new fee, and the total annual amount of revenue the City of Reno, the City of Sparks, the Washoe County Health District and Washoe County each expect to collect from the new fee is as follows:*

The total estimated annual amount of revenue from the proposed regional technology fee is as follows for each of the four Regional Partners:

- | | |
|-----------------------------------|------------|
| 1. City of Reno: | \$ 385,249 |
| 2. City of Sparks: | \$ 119,475 |
| 3. Washoe County Health District: | \$ 76,952 |
| 4. Washoe County: | \$ 153,805 |

- F. *The money generated by the new fee will be used by the City of Reno, the City of Sparks, the Washoe County Health District and Washoe County to:*

The money generated from the regional technology fee will recover capital outlay implementation costs of the new regional license and permit platform and offset on-going annual subscription fees associated with the platform. The on-going annual subscription fees are paid to the platform's vendor to maintain the platform's database in "the cloud".

The total first year's costs for the new regional license and permit platform is \$ 1,667,444 (\$ 1,385,479 for capital outlay implementation costs and \$ 281,965 for the annual subscription fees). Each Regional Partner's share of the first year's cost is:

Regional Partner	Capital Outlay Costs	Annual Subscription Fees	Total First Year's Cost
City of Reno	\$ 359,780	\$ 115,441	\$ 475,221
City of Sparks	\$ 411,512	\$ 37,031	\$ 448,543
Washoe County Health District	\$ 275,463	\$ 58,081	\$ 333,544
Washoe County	\$ 338,724	\$ 71,412	\$ 410,136

G. The proposed rule does not duplicate, nor is it more stringent, than federal, state or local standards regulating the same activity; therefore, no duplicative or more stringent provisions are necessary.

The proposed regional technology fee does not duplicate, nor is it more stringent, than federal, state or local standards regulating the business licenses or permits issued by the Regional Partners. NRS 354.790 enables any local government to charge a reasonable fee for providing a government service in an expedited manner or in a manner that is expeditious or convenient to the customer. This NRS enabled fee is in addition to any other fee otherwise imposed by the local government for the service. The NRS enabled fee must not exceed 5% of the fee imposed by the local government for the service. The proposed regional technology fee conforms to the requirements of NRS 354.790, and the regional technology fee will be in addition to fees imposed by the Regional Partners for business licenses and permits.

H. The following constitutes an explanation of the reasons for the conclusions regarding the impact of the proposed rule on businesses:

One principal goal of the new Accela Civic Platform is to allow each Regional Partner's customers to use the on-line functions of the platform to conduct business if the customer desires. The potential savings to the customer in terms of time and resources by conducting license and permit business on-line should help recoup the cost of the regional technology fee to the customer. For those customers who prefer to conduct their business in person at a Regional Partner's offices, the new license and permit platform will enable sharing of the customer's information electronically with the other Partners and with agencies reviewing the license or permit application. This electronic capability provides a greatly enhanced service for the customer, resulting in efficiencies and effectiveness not possible with the current "paper review" of license or permit applications. The benefits of the enhanced services are immediately available to the customer once the new regional license and permit platform "goes live", and the regional technology fee provides a method for the customer to help defray the Regional Partner's Capital outlay and annual subscription costs associated with the new license and permit platform.

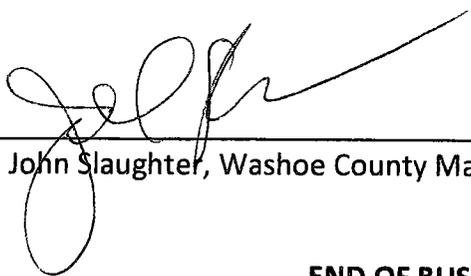
After reviewing the comments, arguments and data provided by trade associations and business owners, there is no significant economic burden imposed on a business by the regional technology fee. Likewise, the regional technology fee will not restrict the formation, operation or expansion of a business.

I. Contact information for each of the Regional Partners

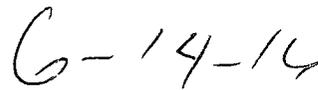
City of Reno	Michael Chaump, Business Relations Manager chaumpm@reno.gov (775) 334-2090
City of Sparks	Jessica Easler, Customer Service Manager jeasler@cityofsparks.us (775) 353-5555
Health District	Bob Sack, Environmental Health Division Director bsack@washoecounty.us (775) 382-2644
Washoe County	Bob Webb, Planning Manager bwebb@washoecounty.us (775) 328-3623

CERTIFICATION

I certify that, to the best of my knowledge or belief, the information contained in this Business Impact Statement was prepared properly and is accurate.



John Slaughter, Washoe County Manager



Date

END OF BUSINESS IMPACT STATEMENT

May 2015

REGIONAL TECHNOLOGY FEE **Potential Impacts to a Business**

GREETINGS BUSINESS OWNER, LICENSE/PERMIT CUSTOMER, OR TRADE ASSOCIATION MEMBER:

The City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County partnered to purchase a regional license and permit platform known as the Accela Civic Platform. The platform replaces several outdated license/permit platforms in the four jurisdictions with one single regional platform. The new Accela Civic Platform includes a robust and improved permit and license software application, regional data sharing, and customer focused applications. The regional license and permit platform will provide on-line citizen access for:

- Applying for a license or permit;
- Tracking the status of a license or permit application;
- Paying for a license or permit; and,
- Renewing licenses or permits.

Customers will still be able to apply in person for a license or permit at a City, District or County office. The new regional license and permit platform will enable all four Regional Partners to share common customer information to facilitate the processing of a license or permit application, and to minimize repetitive entering of the same information by our customers.

The Reno City Council, Sparks City Council, District Board of Health, and Board of County Commissioners may consider a regional technology fee to help recover the capital outlay costs of the new Accela Civic Platform. One or more of the elected bodies may also consider using the regional technology fee to offset on-going technology costs associated with the platform. This document explains the potential impacts of any regional technology fee to businesses in our region.

In accordance with State Law, the Regional Partners must notify business owners, license/permit customers, and/or trade association members likely to be affected by the adoption of the proposed regional technology fee. You are encouraged to provide any comments, arguments or data to the Regional Partners if you believe the adoption of the proposed regional technology fee will:

1. Impose a direct and significant economic burden upon a business; or,
2. Directly restrict the formation, operation, or expansion of a business.

Any comments, arguments or data should focus on the potential impacts of the proposed regional technology fee on a business. This information will be included within the business impact statement to be considered by the elected officials prior to any action to approve a regional technology fee.

Written comments, arguments or data must be submitted no later than June 30, 2015, to:

Postal mail:

Washoe County Department of Community Services
Planning & Development Division
Attn: Business License
P.O. Box 11130
Reno, Nevada 89520-0027

e-mail: BusinessLicense@washoecounty.us

Physical address: Washoe County Administrative Complex, Building A Second floor
(west end), 1001 East Ninth Street, Reno

Fax: (775) 328-6133

The Regional Partners will host two public workshops to discuss the potential impacts of the proposed regional technology fee on a business. You are invited to attend these workshops to ask questions of staff, and/or to provide your comments, arguments or data on the potential impacts of the proposed regional technology fee on a business.

Date of public workshops:	June 30, 2015
Time of public workshops:	Noon until 1:00 p.m. 5:30 p.m. until 6:30 p.m.
Location of public workshops:	Mt Rose Conference Room Washoe County Administrative Complex Building A Second floor (west end) 1001 East Ninth Street, Reno

PROPOSED REGIONAL TECHNOLOGY FEE

Any technology fees considered by the Regional Partners would be based on three types of fee structures:

1. For all business licenses at time of license application and for each license renewal:
 - a. \$ 4 for annual licenses; and,
 - b. \$ 2 for quarterly licenses (collected each calendar quarter).
2. 4% of the total permit cost for all other permits, to include permit renewal.
 - a. Includes air quality, building, engineering, environmental health, planning, and utility permits.
 - b. Certain agency fees will not be totaled as part of the total permit cost.
 - c. Minimum regional technology fee is \$ 1, and the fee will be rounded to the nearest dollar.

3. No fee for exempted licenses or permits. Exempted licenses or permits include:
 - a. New (first year of operation) business licenses (**City of Reno only**).
 - b. Changes to existing business licenses (**City of Reno only**).
 - c. Gaming licenses.
 - d. Electric energy service and telecommunication service licenses.
 - e. Federal Title V/PSD permits (**Washoe County Air Quality Management**).

The proposed regional technology fee would commence once the new regional license and permit platform is available for the public to use (i.e., the platform's "go live" date). It is anticipated that the "go live" date will occur between December 2015 and February 2016.

The regional technology fee is non-refundable in the event that a license or permit, or portion thereof, is refunded, cancelled, or voided.

The regional technology fee is calculated to recover the capital outlay implementation costs, future technology needs, and the annual subscription fees of the new regional license and permit platform over a five year period. The fee calculations were based on the number of issued and renewed business licenses, and the revenue from all other permits based on a seven year average. The Regional Partners (City of Reno, City of Sparks, Washoe County Health District, and Washoe County) have agreed, in concept, to consider collecting the regional technology fee for at least one year, though one or more of the Partners could collect the fee for the full five years. Revenue collected from the regional technology fee will not exceed the total capital outlay costs and the annual subscription fees for the first five years for each Regional Partner. It is possible that a Regional Partner may recover its capital outlay costs prior to the end of the five year period.

Additionally, one or more of the Regional Partners may decide to continue to collect a regional technology fee, potentially at a reduced rate, after the capital outlay costs and the annual subscription fees for the first five years are recovered to help offset on-going technology costs associated with the platform. These on-going technology costs include the annual subscription fees to the platform's vendor to maintain the platform's database in "the cloud", and funds to provide for future upgrades and technology improvements associated with the platform.

The total first year's costs for the new regional license and permit platform is \$ 1,667,444 (\$ 1,385,479 for capital outlay costs and \$ 281,965 for the annual subscription fees). It is important to note that each Regional Partner will incur the subscription fees on an annual basis. Each Regional Partner's share of the first year's cost is:

Regional Partner	Capital Outlay Costs	Annual Subscription Fees	Total First Year's Cost
City of Reno	\$ 359,780	\$ 115,441	\$ 475,221
City of Sparks	\$ 411,512	\$ 37,031	\$ 448,543
Washoe County Health District	\$ 275,463	\$ 58,081	\$ 333,544
Washoe County	\$ 338,724	\$ 71,412	\$ 410,136

The total estimated annual amount of revenue from the proposed regional technology fee is as follows for each of the four Regional Partners:

- City of Reno: \$ 385,249
- City of Sparks: \$ 119,475
- Health District: \$ 76,952
- Washoe County: \$ 160,794

As indicated above, the costs and revenues will be monitored on a regular basis to determine the term of collecting the regional technology fee.

This document is available through the Washoe County website at www.washoecounty.us/techfee.

Questions on the proposed regional technology fee may be directed to:

- | | |
|-----------------|---|
| City of Reno | Michael Chaump, Business Relations Manager
chaumpm@reno.gov
(775) 334-2090 |
| City of Sparks | Jessica Easler, Customer Service Manager
jeasler@cityofsparks.us
(775) 353-5555 |
| Health District | Bob Sack, Environmental Health Division Director
bsack@washoecounty.us
(775) 382-2644 |
| Washoe County | Bob Webb, Planning Manager
bwebb@washoecounty.us
(775) 328-3623 |

Synopsis of Comments from the Proposed Regional Technology Fee Agency Meetings and Public Workshops

THE CHAMBER; JUNE 9, 2015

Representatives from the City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County met with the Chamber to discuss the proposed Regional Technology Fee and to gather their member's feedback. There were approximately 10 Chamber members present. Matters raised during the meeting included:

- The inequity between charging 4% for a high-cost permit and the \$4 fee for a business license. A member suggested that there should be a maximum amount of fee charged for a permit.
- Questions about costs savings to the local jurisdictions with the new Regional License/Permit Platform.

THE ASSOCIATION OF GENERAL CONTRACTORS; JUNE 18, 2015

Representatives from the City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County met with the AGC to discuss the proposed Regional Technology Fee and to gather their member's feedback. 14 AGC members attended the meeting. The AGC provided the attached letter after the meeting as comments on the proposed Regional Technology Fee. Matters raised during the meeting included:

- Preference for flat fees for all permits (not the 4% fee).
- Concern about the enterprise funds providing revenue to offset capital outlay costs which should be more properly collected from the general fund.
- Will the system provide e-mail notifications to permit applicants for any delays in coordinated inspection dates/times?
- Are there contractual limits with Accela which cap any increases to subscription fees after the 3rd or 5th or subsequent years?
- The inequity between charging 4% for a high-cost permit and the \$4 fee for a business license. A suggestion that there should be a maximum amount of fee charged for a permit.
- Will mobile/cell phone applications be available to use through the Accela platform?
- Discussion about some or all of the jurisdiction's setting aside the proposed 4% fee for building permits and either not increasing current building permit fees or reducing permit fees but retaining the 4% fee as a set aside (so the overall fee decrease is 4% less).

THE BUILDERS ASSOCIATION OF NORTHERN NEVADA; JUNE 23, 2015

Representatives from the City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County met with BANN to discuss the proposed Regional Technology Fee and to gather their member's feedback. There was one BANN member present. Matters raised during the meeting included:

- Acknowledged the on-line service is exactly what the building industry has been asking for, but concern that builders would be paying for the bulk of the cost of the program with the 4% added on top of existing building permit fees.
 - Response: Explained the 4% was calculated based on permitting activities and the capital costs that need to be recovered. Recognizing each of the jurisdictions enterprise fund balances may result in fee adjustments, Washoe County and Sparks Building Officials identified the potential for the 4% to be taken from the existing fees resulting in no additional fee increase. BANN was supportive of the proposal and supports the Accela project.

PUBLIC WORKSHOP; JUNE 30, 2015 (NOON TO 1 P.M.)

Representatives from the City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County hosted a public workshop to discuss the proposed Regional Technology Fee and to gather citizen feedback. 6 citizens attended this workshop. Matters raised during the workshop included:

- Will licenses and permits still be issued from individual jurisdictions?
 - Response: Yes, but you will be able to conduct business online for all three jurisdictions.
- Concerning licenses exempt from the proposed fee, will licenses for natural gas service be exempt?
 - Response: No. The proposed regional technology fee would be paid through business license renewal process for these type of licenses.
- How will you make up the gap between the first year costs and the first year's anticipated revenue?
 - Response: The proposed technology fee will remain in place until capital costs recouped, at which time the fee will be re-evaluated. The capital costs were one-time and paid in the first year, so subsequent year costs only include subscription costs.
- Can the proposed regional technology fee change per jurisdiction?
 - Explained that any variation in the fee amount by jurisdiction will ultimately be decided by each elected body.

PUBLIC WORKSHOP; JUNE 30, 2015 (5:30 P.M. TO 6:30 P.M.)

Representatives from the City of Reno, the City of Sparks, the Washoe County Health District, and Washoe County hosted a public workshop to discuss the proposed Regional Technology Fee and to gather citizen feedback. 7 citizens attended this workshop. Matters raised during the workshop included:

- If we had five 10 million dollar project permit fees, would it pay for the entire project?
 - Response: The proposed technology fee is based on the actual cost of the permit, not the valuation of the project. So, the answer is likely no.

- How do you know that subscription fees won't increase?
 - Response: The subscription cost per seat remains the same for the first five years of our contract. Then we will see a set percentage increase in cost per seat. Accela will reevaluate the number of seats after the first three years and the subscription costs will be adjusted accordingly.
- There is an initial fee for everyone, how will the fund be segregated?
 - Response: Each jurisdiction has set up dedicated accounts for the proposed regional technology fee which are "fenced off" except to repay capital costs, subscription costs, and technology needs associated with the Accela platform.
- Are you going to customize the program to meet each jurisdiction's needs?
 - Response: Yes.
- When all costs are paid for will, the proposed regional technology fee go away?
 - Response: Maybe! Fees will be evaluated each year and may be used for future technology needs to support the Accela regional platform if the elected officials concur (at a potentially reduced fee rate).



Associated General Contractors

5400 Mill Street
Post Office Box 7578
Reno, NV 89510
Tel 775.329.6116
Fax 775.329.6575
www.nevadaagc.org

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Justin Ivory

First Vice President
Trish Bullentini-Kuzanek

Second Vice President
Lance Semenko

Treasurer
Jim Miller

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Shane Glenn
Bob Fehling
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Deane Shaver
B. J. Sullivan

**NATIONAL DIRECTOR
PAST PRESIDENT**
Craig Holt

Tuesday, June 30, 2015

Washoe County Department of Community Services
Planning & Development Division
Attn: Business License
P.O. Box 11130
Reno, NV 89520-0027

Thank you for the opportunity to provide comment on the proposed Regional Technology Fee. Our membership appreciated your group having taken the time to provide the presentation and answer questions. We were pleased to hear that a portion of the fees could be offset by a reduction in the cost of certain permits. We were also pleased to learn that the new system is expected to result in a streamlined licensing and permitting process region wide.

Please address the following concerns as you further develop the new system and fee structure.

- The industry is coming out of one of the worst recessions in recent memory. The economy is improving but the industry is still vulnerable. Additional fees can be very challenging. We recommend that a committee of stakeholders be formed to monitor the fees and serve in an advisory role similar to the Building Enterprise Fund Advisory Committees.
- Building permit fees for large projects carry significant costs and adding 4% to those costs could be very challenging for a contractor. Our members perform multimillion dollar projects. The building permit fee for a \$35 million project is approximately \$88,000. Adding 4% would increase that another \$3,500. This is in addition to the various other fees, some of which will also be subject to the 4% increase, and should be considered for exclusion. We recommend that you consider establishing a cap of \$500 to the amount that may be increased on any project to cover the costs of the new technology.
- The subscription agreement with Accella will be reevaluated in three years. We recommend locking in a rate to avoid any excessive increase after three years when the region renews/extends its subscription.
- One of the benefits of the new service is that all data will be stored in the cloud and that the data could easily be transferred to a new system in the future. The group needs to ensure it retains ownership of the data so that our investment is not lost if there is a split between Accella and the parties involved. An agreement on migration of the data in relation to contract expiration would be prudent.
- The Business License Fee module should be paid for from the General Fund, as monies from business license fees are currently deposited into the General Fund.

Once again we appreciate the opportunity to comment on the proposed fees. Please don't hesitate to contact me at 329-6116 if you have any questions.

Thank you,

Brian Reeder
Government Affairs Coordinator
Nevada Chapter Associated General Contractors
(775) 329-6116 *Building a Better Nevada*



WASHOE COUNTY
Business License
INTEGRITY COMMUNICATION SERVICE

Community Services Dept.
Planning & Development
P.O. Box 11130
Reno, Nevada 89520-0027
Phone: (775) 328-3733
Fax: (775) 328-6133

Attachment C
Regional License/Permit Platform BIS

June 13, 2016
(amended notification)

Subject: Regional Technology Fee for the Regional License and Permit Program

Dear Trade Association Member:

Washoe County has partnered with the City of Reno, the City of Sparks and the Washoe County Health District to purchase and implement a new regional license and permit platform. The platform's scheduled go-live date is August 22, 2016. The regional technology fee is designed to recover capital outlay costs, annual subscription costs, and future technology needs for the platform. One major advantage of the new platform is the ability to provide on-line license and permit services for our region's customers for the first time. The proposed regional technology fee will be \$4 **\$2.75** for annual business licenses, \$2 per quarter for quarterly business licenses, and 4% of the total permit cost for all other permits (air quality, building, engineering, environmental health, planning and utility).

You were notified by postal mail on June 1, 2015 **and on May 16, 2016** concerning the regional technology fee. The City of Reno included the regional technology fee as part of their FY 2015-2016 budget process and adoption of that budget. The Washoe County District Board of Health adopted the regional technology fee on November 19, 2015.

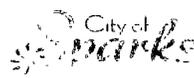
The Washoe County Board of Commissioners (Board) will consider approval of the Business Impact Statement associated with the regional technology fee at their June 21, 2016 meeting. The Business Impact Statement may be viewed on-line at www.washoecounty.us/techfee. A copy is also available at the CSD Information Desk, Second Floor, Building A, Washoe County Administrative Complex, 1001 East Ninth Street, Reno.

The Board will consider adoption of the regional technology fee at their June 28, 2016 meeting. You are invited to attend one or both of the Board meetings to provide your comments or suggestions for the regional technology fee.

If you have questions, please do not hesitate to contact me at (775) 328-3623 or by e-mail at bwebb@washoecounty.us.

Bob Webb
Planning Manager

xc: City of Reno, City of Sparks, Washoe County Health District



REGIONAL TECHNOLOGY FEE

**Jurisdictional approaches to
collecting the proposed fee**

CITY OF RENO

Building: Charge the 4% regional technology fee for all non-exempted building permits. The technology fee will be offset by an overall permits fees reduction of 4%.

Business License: Charge \$4 on all annual license renewals and \$2 on all quarterly license renewals; except for gaming, utility and temporary license renewals.

Engineering: Charge the 4% regional technology fee on all engineering applications.

Planning: Charge the 4% regional technology fee on all planning applications.

CITY OF SPARKS

Building: Request Council approval for the fee and set it at 0%.

Business License: Charge \$4 on all annual license and \$2 on quarterly license, except for gaming license and utility agreements.

Engineering: Request Council approval for the fee and set it at 0%.

Planning: Request Council approval for the fee and set it at 0%.

HEALTH DISTRICT, ENVIRONMENTAL SERVICES

Charge the 4% regional technology fee for all permits.

HEALTH DISTRICT, AIR QUALITY

Charge the 4% regional technology fee for all permits except Federal PSD/Title V permits.

WASHOE COUNTY

Building: Charge the 4% regional technology fee, and may reduce the permit fee by an equal amount.

Business License: Charge the \$4 annual and \$2 quarterly fees, except for gaming licenses and for electric energy service and telecommunication service licenses

Engineering: Charge the 4% regional technology fee on all engineering applications.

Planning: Charge the 4% regional technology fee on all planning applications.